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May 29, 2007

DELIVERED BY HAND

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

COPY
Posted: for
Dept: SA. & ORS
Date: 5/30/07
Time: 11:30

2007-215-C

Re: Petition of Sprint Communications Company L.P. and Sprint Spectrum L.P. d/b/a Sprint PCS for Arbitration of Rates, Terms and Conditions of Interconnection with BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina d/b/a AT&T Southeast

Dear Mr. Terreni:

Enclosed for filing please find the original and 12 copies of the Petition of Sprint Communications Company L.P. and Sprint Spectrum L.P. d/b/a Sprint PCS for Arbitration of Rates, Terms and Conditions of Interconnection with BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina d/b/a AT&T Southeast. Please return two clocked copies of this Petition to the courier delivering same.

Thank you for your assistance. Please call me if you have any questions.

Sincerely,

WOMBLE CARLYLE SANDRIDGE & RICE
A Professional Limited Liability Company


J. Jeffrey Pascoe

JJP:jac

Cc: Patrick W. Turner, General Counsel BellSouth Telecommunications, Inc.

RECEIVED

MAY 29 2007

PSC SC
DOCKETING DEPT.

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

IN THE MATTER OF PETITION OF SPRINT
COMMUNICATIONS COMPANY L.P. AND
SPRINT SPECTRUM L. P. D/B/A SPRINT PCS
FOR ARBITRATION OF RATES, TERMS AND
CONDITIONS OF INTERCONNECTION WITH
BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A AT&T SOUTH CAROLINA D/B/A AT&T
SOUTHEAST

Docket No.

2007-215-C

**PETITION FOR ARBITRATION OF
SPRINT COMMUNICATIONS COMPANY L. P. AND SPRINT SPECTRUM L. P.**

Pursuant to Section 252(b) of the Telecommunications Act of 1996 ("Act"),¹ Sprint Communications Company L. P. and Sprint Spectrum L. P. d/b/a Sprint PCS petition the Public Service Commission of South Carolina ("Commission") to arbitrate certain terms and conditions of interconnection with BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina d/b/a AT&T Southeast ("AT&T South Carolina") for the State of South Carolina.

PARTIES

1. Sprint Communications Company L. P. ("Sprint CLEC"), a Delaware limited partnership, is a competitive local exchange carrier under the Act, and an interexchange carrier, and is authorized by the Commission to provide telecommunications service in South Carolina. Sprint Spectrum L. P., a Delaware limited partnership, as agent and General Partner for WirelessCo, L.P., a Delaware limited partnership, and SprintCom, Inc., a Kansas corporation, all the foregoing entities jointly d/b/a Sprint PCS ("Sprint PCS"), is a commercial mobile radio service ("CMRS")

¹ Pub. L. No. 104-104, 110 Stat. 70, 47 U.S.C. 252(b).

provider licensed by the Federal Communications Commission (“FCC”) to provide wireless services in South Carolina. Sprint CLEC and Sprint PCS are each a “telecommunications carrier” under the Act. Sprint CLEC and Sprint PCS are collectively referred to herein as “Sprint,” and Sprint’s principal place of business is 6200 Sprint Parkway, Overland Park, Kansas 66251.

2. The name and address of Sprint’s representative in this proceeding is as follows:

J. Jeffrey Pascoe
Womble Carlyle Sandridge & Rice
PO Box 10208 (29603)
550 South Main Street
Suite 400
Greenville, SC 29601
(864) 255-5422 (Telephone)
(864) 255-5440 (Facsimile)

3. AT&T South Carolina is an incumbent local exchange company (“ILEC”) as defined under Section 251(h) of the Act, and is certified to provide telecommunications services in the State of South Carolina. AT&T South Carolina maintains its principal place of business in South Carolina at 1600 Williams Street, Columbia, SC 29201.

4. The name, address, and contact information for AT&T South Carolina’s current primary legal representative during negotiations with Sprint is:

Steve L. Earnest
Regulatory Counsel
AT&T Legal Department
675 West Peachtree St., N.E., Suite 4300
Atlanta, Georgia 30375-0001
(404) 335-0711
Fax: (404) 614-4054
stephen.earnest@bellsouth.com

JURISDICTION

5. As discussed in more detail in paragraph 21, below, the Commission has jurisdiction over this Petition pursuant to Section 252(b)(1) of the Act wherein Congress created an arbitration procedure for requesting telecommunications carriers and ILECs to resolve interconnection agreement-related disputes through “compulsory arbitration” by petitioning a “State commission to arbitrate any open issues” unresolved by negotiation. Under Section 252(b)(1) of the Act, parties negotiating for interconnection within a particular state may petition the state commission for arbitration of any unresolved issues during the 135th to the 160th day of such negotiation. Accordingly, Sprint files this Petition with the Commission on this date to preserve its rights under Section 252(b) of the Act and to seek relief from the Commission in resolving the outstanding dispute.

6. By the current negotiations schedule mutually agreed to by the Parties, the 135th day of the Section 252 arbitration “window” was extended to May 5, 2007, and the 160th day is May 30, 2007. *See Exhibit A*, attached hereto. Accordingly, the Petition is timely filed.

BACKGROUND AND HISTORY OF NEGOTIATIONS

7. Sprint and AT&T South Carolina previously entered into an Interconnection Agreement that was initially approved by the Commission in Docket No. 2000-23-C. By mutual agreement, the Interconnection Agreement has been amended from time to time. On information and belief, Sprint believes all such amendments have likewise been filed by AT&T South Carolina with the Commission. A true and correct copy of the Parties’ current, 1,169 page Interconnection Agreement, as amended, can be viewed on AT&T South Carolina’s website at:

http://cpr.bellsouth.com/clec/docs/all_states/800aa291.pdf.²

8. On July 1, 2004, Sprint sent AT&T South Carolina a request for negotiation of a subsequent interconnection agreement (“RFN”) pursuant to Sections 251, 252 and 332 of the Act. Following the RFN, Sprint and AT&T South Carolina conducted negotiations toward a comprehensive subsequent interconnection agreement. Accordingly, the Parties agreed to several extensions of the arbitration window in order to continue negotiations. AT&T South Carolina and Sprint have met on many occasions during the negotiation period, both telephonically and in person, to discuss issues in dispute between the Parties.

9. During the course of the Parties’ negotiations, their current Interconnection Agreement automatically converted pursuant to its provisions to a month-to-month term as of January 1, 2005. The agreement has not expired, is deemed to be extended on a month-to-month basis, continues to be effective and capable of amendment, and the parties continue to operate pursuant to its terms. It is also conditionally subject to termination by either Party if: i) no arbitration has been filed in accordance with Section 252 of the Act (or the Parties have not mutually agreed where permissible, to extend the arbitration window); and ii) a Party provides a 60-day termination notice to the other Party.

10. On December 29, 2006, the FCC approved the merger of AT&T, Inc. and BellSouth Corporation (collectively “AT&T/BellSouth”) subject to certain AT&T/BellSouth voluntary merger commitments (“Merger Commitments”) in a letter from AT&T, Inc.’s Senior Vice President – Federal Regulatory, Robert W. Quinn, Jr.,

² For ease of administrative burden upon the Commission, the Parties’ current Interconnection Agreement is fully incorporated herein by reference.

filed with the FCC on December 28, 2006. The AT&T/BellSouth merger also closed on December 29, 2006 (the “Merger Closing Date”). On March 26, 2007, the FCC issued its formal Order authorizing the AT&T/BellSouth merger, which incorporated the AT&T/BellSouth offered Merger Commitments.³ As an express condition of its merger authorization, the FCC ordered that “AT&T and BellSouth shall comply with the conditions set forth in Appendix F” of the FCC Order.⁴ A copy of the Table of Contents and Appendix F to the FCC Order is attached as **Exhibit B** to the Petition. AT&T South Carolina is the same pre-merger BellSouth entity which provides wireline communications services, including local exchange, network access, intraLATA long distance services, Internet services and the services to Sprint under the current interconnection agreement in South Carolina; and, became a post-merger AT&T/BellSouth ILEC subsidiary entity that is bound by the Merger Commitments.

11. The first three introductory paragraphs of the FCC Order Appendix F state:

Conditions

The Applicants have offered certain voluntary commitments, enumerated below. Because we find these commitments will serve the public interest, we accept them. *Unless otherwise specified herein, the commitments described herein shall become effective on the Merger Closing Date.* The commitments described herein shall be null and void if AT&T and BellSouth do not merge and there is no Merger Closing Date.

It is not the intent of these commitments to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these commitments, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these commitments.

³ *In the Matter of AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74 (Adopted: December 29, 2006, Released: March 26, 2007) (“FCC Order”).

⁴ FCC Order, Ordering Clause ¶ 227 at page 112.

MERGER COMMITMENTS

For the avoidance of doubt, *unless otherwise expressly stated to the contrary, all conditions and commitments* proposed in this letter are enforceable by the FCC and would *apply in the AT&T/BellSouth in-region territory*, as defined herein, *for a period of forty-two months from the Merger Closing Date* and would automatically sunset thereafter.

FCC Order at p. 147, APPENDIX F (emphasis added).

12. The Merger Commitment identified as “Reducing Transaction Costs Associated with Interconnection Agreements” paragraph No. 4 expressly provides:

The AT&T/BellSouth ILECs *shall permit a requesting telecommunications carrier to extend its current interconnection agreement*, regardless of whether its initial term has expired, *for a period up to three years*, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier’s request unless terminated pursuant to the agreement’s “default” provisions.

FCC Order at p. 150, APPENDIX F (emphasis added).

13. Soon after the FCC-approved Merger Commitments were publicly announced on December 29, 2006, the Parties considered the impact of the Merger Commitments upon their pending Interconnection Agreement negotiations. AT&T South Carolina acknowledged that, pursuant to Interconnection Merger Commitment No. 4, Sprint can extend its current Interconnection Agreement for three years. The Parties disagree, however, regarding the commencement date for such three-year extension.

14. By letter dated March 20, 2007, Sprint advised AT&T South Carolina in writing that Sprint considers the Merger Commitments to constitute AT&T South Carolina’s latest offer for consideration within the Parties’ current 251/252 negotiations that supersede or may be viewed in addition to any prior offers BellSouth has made to the contrary. Pursuant to the express terms of Interconnection Merger Commitment No. 4,

Sprint requested an amendment to Section 2 of the Parties' current month-to-month interconnection agreement that:

- a) Converts the Agreement from its current month-to-month term and extends it three years from the date of the March 20, 2007 request to March 19, 2010; and,
- b) Provides that the Agreement may be terminated only via Sprint's request unless terminated pursuant to a default provision of the Agreement; and,
- c) Since the Agreement has already been modified to be TRRO compliant and has an otherwise effective change of law provision, recognizes that all other provisions of the Agreement, as amended, shall remain in full force and effect.

Sprint further provided and requested AT&T South Carolina to execute and return no later than Friday, March 30, 2007, two copies of Sprint's proposed Amendment to implement Sprint's request regarding Interconnection Merger Commitment No. 4. Sprint's March 20, 2007, letter and proposed Amendment are attached as **Exhibit C**.

15. On March 21, 2007, AT&T South Carolina acknowledged both electronic and hard-copy receipt of Sprint's March 20, 2007, letter and proposed Amendment. By letter dated April 4, 2007, AT&T responded to Sprint's March 20, 2007, letter. A copy of AT&T's April 4, 2007 letter is attached as **Exhibit D**. Although Sprint denies both the factual and legal conclusions asserted in **Exhibit D**, the ultimate effect of AT&T's response is to deny Sprint's request for a three-year extension of the parties' Interconnection Agreement from March 21, 2007, and reiterate that AT&T will only voluntarily "extend the Sprint Agreement until December 31, 2007."

UNRESOLVED ISSUE FOR ARBITRATION

16. Sprint requests that the Commission resolve a single issue in this arbitration. The Parties have agreed that the Merger Conditions require that the

agreement be extended but are unable to agree as to the commencement date for such three-year extension. The issue to be resolved is:

ISSUE 1: May AT&T South Carolina effectively deny Sprint's request to extend its current Interconnection Agreement for three full years from March 20, 2007 pursuant to Interconnection Merger Commitment No. 4?

17. **Sprint's Position:** No. The Merger Commitments became effective as of the Merger Closing Date of December 29, 2006, and, unless otherwise expressly stated to the contrary, apply "for a period of forty-two months *from the Merger Closing Date.*" Merger Commitment No. 4 expressly states AT&T South Carolina "*shall permit* a requesting telecommunications carrier *to extend its current interconnection agreement*, regardless of whether its initial term has expired, *for a period up to three years.*" It is Sprint's position that the date of Sprint's extension request, March 20, 2007, is also the commencement date for the three-year extension of the Parties' current Interconnection Agreement. A commencement date of March 20, 2007, recognizes the current Interconnection Agreement is a continuing agreement with an automatic rolling extension/expiration date, and results in a conversion to a fixed three-year extension that expires on March 19, 2010, which is still within the time frame of the overall forty-two month Merger Commitment limitation period (i.e., June 28, 2010).

18. In the alternative, if the commencement date of the three-year extension of the Parties' current agreement is not the same date as Sprint's request for such extension, the only other reasonable construction of the Merger Commitments is a commencement date of December 29, 2006, (i.e., the expressly stated date "from" which the Commitments apply). A commencement date of December 29, 2006, also recognizes the current status of the Interconnection Agreement as a continuing agreement with an

automatic rolling extension/expiration date, and results in a conversion to a fixed three-year extension that expires on December 28, 2009, which is also still within the time frame of the overall forty-two month Merger Commitment limitation period (i.e., June 28, 2010).

19. **AT&T South Carolina's Position:** Sprint understands AT&T South Carolina's position to be that Sprint may only extend its Interconnection Agreement for up to three years *from* the "expiration" of a specified (rather than month-to-month) term of the Sprint Interconnection Agreement. AT&T South Carolina contends that, in Sprint's case, the Parties' initial multi-year term was extended twice and, therefore, initially "expired" on December 31, 2004, when the agreement automatically converted to a month-to-month term. Therefore, AT&T South Carolina's opinion is that any three-year extension commences *from* December 31, 2004, to result in a new "expiration" date of December 31, 2007.

20. On its face, AT&T South Carolina's position requires the Commission to ignore two indisputable facts. First, AT&T South Carolina's interpretation would result in the Commission ignoring that the Parties' current Interconnection Agreement is by its express terms "deemed extended" and, therefore, is still in effect with a never expired, rolling month-to-month expiration date that, absent an applicable 60-day termination, automatically continues to extend and renew. And second, AT&T South Carolina's construction requires the Commission to ignore the express terms of the Merger Commitments and apply them in an inconsistent manner contrary to their express terms in order to essentially "back date" their application to precede their express stated effective date of December 29, 2006. The Commission should clearly and emphatically

reject AT&T South Carolina's effort to re-write Merger Commitment No. 4 in a manner that will obliterate the clear intended benefit to requesting carriers of a post-Merger Closing Date three-year Interconnection Agreement extension.

21. In a similar arbitration pending before the Florida Public Service Commission between Sprint and AT&T Florida, AT&T Florida recently filed a Motion to Dismiss and Answer to Sprint's Petition for Arbitration, in which AT&T Florida contends that: 1) Sprint is asserting a non-arbitrable issue that is not related to Section 251 of the Act; and 2) the FCC has exclusive jurisdiction to interpret the Merger Commitments. If AT&T South Carolina asserts a similar position before this Commission, it is Sprint's position in a nutshell that Sprint's issue – i.e., when does the three-year extended term of the parties' existing interconnection agreement commence – is a core 251 interconnection agreement implementation issue that is clearly subject to 252 arbitration. Further, all of the interconnection-related Merger Commitments are subject to *concurrent* jurisdiction of both the FCC and the states as contemplated in the Act and evidenced by the following express language of the FCC Order:

It is not the intent of these commitments to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these commitments, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these commitments.

FCC Order at p. 147, APPENDIX F (emphasis added). It should be noted that the above language was not part of the proposed merger conditions as filed by AT&T with the FCC but specifically added by the FCC. Although the Act is designed with dual authority for both the state and the FCC, the primary responsibility for arbitrating, finalizing and implementing interconnection agreements falls to the states. The FCC's role in this

regard is secondary unless the state fails to take action. The above language is a clear indication by the FCC that the statutory mechanism for addressing arbitration issues in the context of interconnection agreements should be preserved in this case. The Act clearly places the primary obligation of dealing with interconnection agreements with the states. In addition, the dispute resolution provision of the parties' existing Interconnection Agreement expressly provides "if any dispute arises as to the interpretation of any provision of this Agreement *or as to the proper implementation of this Agreement*, then if the aggrieved Party elects to pursue such dispute, the aggrieved Party may petition the FCC or Commission for a resolution of the dispute." (General Terms and Conditions – Part A, Section 14.1, p. 817, emphasis added.)

22. The sole issue presented in this arbitration is a legal issue. Accordingly, Sprint does not anticipate any need for the Commission to determine disputed facts.

CONCLUSION AND PRAYER FOR RELIEF

Sprint respectfully requests the Commission to arbitrate the single issue in dispute, to find in Sprint's favor, and to adopt Sprint's proposed Amendment to the Parties' current Interconnection Agreement. Specifically, Sprint requests that the Commission:

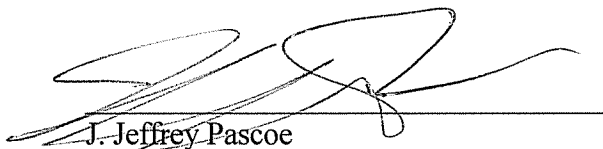
- a) Arbitrate the unresolved issue between Sprint and AT&T South Carolina as described herein within the timetable specified in the Act;
- b) Issue an appropriate procedural Order;
- c) Issue an Order requiring AT&T South Carolina to comply with Merger Commitment No. 4 and implement the extension of the Parties' current Interconnection Agreement for a period of three (3)

years from either i) Sprint's March 20, 2007 request for such extension, or ii) the December 29, 2006 effective date of the AT&T/BellSouth Merger Commitments, and to execute Sprint's proposed Interconnection Agreement Amendment reflecting the resolution of the unresolved issue as described above;

- d) Retain jurisdiction of this arbitration until the Parties have submitted an Amendment to the Interconnection Agreement for approval in accordance with Section 252(e) of the Act;
- e) Retain jurisdiction of this arbitration and the Parties hereto as necessary to enforce the amended Interconnection Agreement; and
- f) Grant such other and further relief as the Commission deems just and proper.

Respectfully submitted this 29th day of May, 2007.

SPRINT COMMUNICATIONS COMPANY L. P.
AND SPRINT SPECTRUM L. P.

A handwritten signature in black ink, appearing to read 'J. Jeffrey Pascoe', is written over a horizontal line.

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Attorney for Sprint

Sprint

Together with NEXTEL



Sprint Nextel
6330 Sprint Pkwy.
KSOPHA0310-3B370
Overland Park, KS 66251
(913)762-4281

James C. (Jim) Kite II
Interconnection Solutions

Sent Via E-Mail

January 25, 2007

Ms. Lynn Allen-Flood
BellSouth Business Markets
675 West Peachtree St., NE 34S91
Atlanta, GA 30375

Re: Sprint Communications Company L.P. and Sprint Spectrum L.P. Request for Interconnection
with BellSouth Telecommunications, Inc.

Dear Lynn:

This letter is to confirm our mutual agreement regarding Sprint Communications Company L.P. and Sprint Spectrum L.P. (collectively "Sprint") requests to negotiate an interconnection agreement and commencement of negotiations with BellSouth Telecommunications, Inc. ("BellSouth") pursuant to Section 251 and 252 of the Telecommunications Act of 1934 as amended (the "Act"). The Parties agree that with respect to a particular BellSouth state, Sprint requested negotiations and the corresponding dates as indicated below are, pursuant to Section 252(b)(1) of the Act, the applicable day 135 start of the arbitration "window" and day 160 close of the arbitration "window":

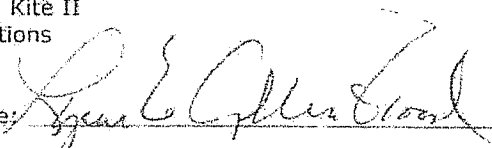
	Request	Day 135	Day 160
Florida:	November 9, 2006	March 23, 2007	April 17, 2007
Georgia:	November 15, 2006	March 29, 2007	April 23, 2007
North Carolina:	November 21, 2006	April 4, 2007	April 29, 2007
Kentucky, South Carolina and Tennessee:	December 22, 2006	May 5, 2007	May 30, 2007
Alabama, Louisiana, and Mississippi:	February 1, 2007	June 15, 2007	July 10, 2007

To reflect our mutual understanding, please sign and return a copy of this letter to me.

Sincerely,


James C. Kite II
ICA Solutions

Signature:



Date:

1/26/07

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
)	
AT&T Inc. and BellSouth Corporation)	WC Docket No. 06-74
Application for Transfer of Control)	
)	
)	

MEMORANDUM OPINION AND ORDER

Adopted: December 29, 2006

Released: March 26, 2007

By the Commission: Chairman Martin and Commissioner Tate issuing a joint statement;
Commissioners Copps and Adelstein concurring and issuing separate statements;
Commissioner McDowell not participating.

TABLE OF CONTENTS

	Para.
I. INTRODUCTION	
II. EXECUTIVE SUMMARY	
III. BACKGROUND	
A. DESCRIPTION OF THE APPLICANTS	
1. <i>BellSouth Corp.</i>	
2. <i>AT&T Inc.</i>	
B. DESCRIPTION OF THE TRANSACTION	
C. APPLICATIONS AND REVIEW PROCESS	
1. <i>Commission Review</i>	
2. <i>Department of Justice Review</i>	
IV. STANDARD OF REVIEW AND PUBLIC INTEREST FRAMEWORK	
V. POTENTIAL PUBLIC INTEREST HARMS	
A. ANALYTICAL FRAMEWORK	
B. WHOLESALE SPECIAL ACCESS COMPETITION	
1. <i>Relevant Markets</i>	
2. <i>Competitive Analysis</i>	
C. RETAIL ENTERPRISE COMPETITION	
1. <i>Relevant Markets</i>	
2. <i>Competitive Analysis</i>	
D. MASS MARKET TELECOMMUNICATIONS COMPETITION	
1. <i>Relevant Markets</i>	
2. <i>Competitive Analysis</i>	

- E. MASS MARKET HIGH-SPEED INTERNET ACCESS COMPETITION
 - 1. *Relevant Markets*
 - 2. *Competitive Analysis*
- F. INTERNET BACKBONE COMPETITION
 - 1. *Background*
 - 2. *Relevant Markets*
 - 3. *Competitive Analysis*
- G. U.S. INTERNATIONAL SERVICES COMPETITION
 - 1. *Input Markets: International Transport Market*
 - 2. *Intermediate Facilities-Based Markets*
 - 3. *End-User Markets*
- H. WIRELESS BROADBAND SERVICES COMPETITION
- I. EFFECT OF THE ENLARGED LOCAL FOOTPRINT
 - 1. *Big Footprint*
 - 2. *Benchmarking*
- J. QUALIFICATIONS TO ACQUIRE CONTROL OF BELL SOUTH'S LICENSES
- VI. OTHER ISSUES
- VII. POTENTIAL PUBLIC INTEREST BENEFITS
 - A. INTRODUCTION
 - B. ANALYTICAL FRAMEWORK
 - C. ACCELERATED BROADBAND DEPLOYMENT
 - D. BENEFITS OF UNIFYING CINGULAR'S OWNERSHIP
 - E. ENHANCEMENT OF MVPD AND PROGRAMMING COMPETITION
 - F. ENHANCEMENTS TO NATIONAL SECURITY, DISASTER RECOVERY, AND GOVERNMENT SERVICES
 - G. EFFICIENCIES RELATED TO VERTICAL INTEGRATION
 - H. ECONOMIES OF SCOPE AND SCALE
 - I. COST SYNERGIES
- VIII. CONCLUSION
- IX. ORDERING CLAUSES
- MERGER COMMITMENTS
 - REPATRIATION OF JOBS TO THE U.S.
 - PROMOTING ACCESSIBILITY OF BROADBAND SERVICE
 - STATEMENT OF VIDEO ROLL-OUT INTENTIONS
 - PUBLIC SAFETY, DISASTER RECOVERY
 - SERVICE TO CUSTOMERS WITH DISABILITIES
 - UNES
 - REDUCING TRANSACTION COSTS ASSOCIATED WITH INTERCONNECTION AGREEMENTS
 - SPECIAL ACCESS
 - TRANSIT SERVICE
 - ADSL SERVICE
 - ADSL TRANSMISSION SERVICE
 - NET NEUTRALITY
 - INTERNET BACKBONE
 - FORBEARANCE
 - WIRELESS
 - DIVESTITURE OF FACILITIES
 - TUNNEY ACT
 - CERTIFICATION

APPENDIX F**Conditions**

The Applicants have offered certain voluntary commitments, enumerated below. Because we find these commitments will serve the public interest, we accept them. Unless otherwise specified herein, the commitments described herein shall become effective on the Merger Closing Date. The commitments described herein shall be null and void if AT&T and BellSouth do not merge and there is no Merger Closing Date.

It is not the intent of these commitments to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these commitments, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these commitments.

MERGER COMMITMENTS

For the avoidance of doubt, unless otherwise expressly stated to the contrary, all conditions and commitments proposed in this letter are enforceable by the FCC and would apply in the AT&T/BellSouth in-region territory, as defined herein, for a period of forty-two months from the Merger Closing Date and would automatically sunset thereafter.

Repatriation of Jobs to the U.S.

AT&T/BellSouth¹ is committed to providing high quality employment opportunities in the U.S. In order to further this commitment, AT&T/BellSouth will repatriate 3,000 jobs that are currently outsourced by BellSouth outside of the U.S. This repatriation will be completed by December 31, 2008. At least 200 of the repatriated jobs will be physically located within the New Orleans, Louisiana MSA.

Promoting Accessibility of Broadband Service

1. By December 31, 2007, AT&T/BellSouth will offer broadband Internet access service (*i.e.*, Internet access service at speeds in excess of 200 kbps in at least one direction) to 100 percent of the residential living units in the AT&T/BellSouth in-region territory.² To meet this commitment, AT&T/BellSouth will offer broadband Internet access services to at least 85 percent of such living units using wireline technologies (the "Wireline Buildout Area"). AT&T/BellSouth will make available broadband Internet access service to the remaining living units using alternative technologies

¹ AT&T/BellSouth refers to AT&T Inc., BellSouth Corporation, and their affiliates that provide domestic wireline or Wi-Max fixed wireless services.

² As used herein, the "AT&T/BellSouth in-region territory" means the areas in which an AT&T or BellSouth operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i). "AT&T in-region territory" means the area in which an AT&T operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i), and "BellSouth in-region territory" means the area in which a BellSouth operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i).

and operating arrangements, including but not limited to satellite and Wi-Max fixed wireless technologies. AT&T/BellSouth further commits that at least 30 percent of the incremental deployment after the Merger Closing Date necessary to achieve the Wireline Buildout Area commitment will be to rural areas or low income living units.³

2. AT&T/BellSouth will provide an ADSL modem without charge (except for shipping and handling) to residential subscribers within the Wireline Buildout Area who, between July 1, 2007, and June 30, 2008, replace their AT&T/BellSouth dial-up Internet access service with AT&T/BellSouth's ADSL service and elect a term plan for their ADSL service of twelve months or greater.

3. Within six months of the Merger Closing Date, and continuing for at least 30 months from the inception of the offer, AT&T/BellSouth will offer to retail consumers in the Wireline Buildout Area, who have not previously subscribed to AT&T's or BellSouth's ADSL service, a broadband Internet access service at a speed of up to 768 Kbps at a monthly rate (exclusive of any applicable taxes and regulatory fees) of \$10 per month.

Statement of Video Roll-Out Intentions

AT&T is committed to providing, and has expended substantial resources to provide, a broad array of advanced video programming services in the AT&T in-region territory. These advanced video services include Uverse, on an integrated IP platform, and HomeZone, which integrates advanced broadband and satellite services. Subject to obtaining all necessary authorizations to do so, AT&T/BellSouth intends to bring such services to the BellSouth in-region territory in a manner reasonably consistent with AT&T's roll-out of such services within the AT&T in-region territory. In order to facilitate the provision of such advanced video services in the BellSouth in-region territory, AT&T/BellSouth will continue to deploy fiber-based facilities and intends to have the capability to reach at least 1.5 million homes in the BellSouth in-region territory by the end of 2007. AT&T/BellSouth agrees to provide a written report to the Commission by December 31, 2007, describing progress made in obtaining necessary authorizations to roll-out, and the actual roll-out of, such advanced video services in the BellSouth in-region territory.

Public Safety, Disaster Recovery

1. By June 1, 2007, AT&T will complete the steps necessary to allow it to make its disaster recovery capabilities available to facilitate restoration of service in BellSouth's in-region territory in the event of an extended service outage caused by a hurricane or other disaster.

2. In order to further promote public safety, within thirty days of the Merger Closing Date, AT&T/BellSouth will donate \$1 million to a section 501(c)(3) foundation or public entities for the purpose of promoting public safety.

³ For purposes of this commitment, a low income living unit shall mean a living unit in AT&T/BellSouth's in-region territory with an average annual income of less than \$35,000, determined consistent with Census Bureau data, *see* California Public Utilities Code section 5890(j)(2) (as added by AB 2987) (defining low income households as those with annual incomes below \$35,000), and a rural area shall consist of the zones in AT&T/BellSouth's in-region territory with the highest deaveraged UNE loop rates as established by the state commission consistent with the procedures set forth in section 51.507 of the Commission's rules. 47 C.F.R. § 51.507.

Service to Customers with Disabilities

AT&T/BellSouth has a long and distinguished history of serving customers with disabilities. AT&T/BellSouth commits to provide the Commission, within 12 months of the Merger Closing Date, a report describing its efforts to provide high quality service to customers with disabilities.

UNEs

1. The AT&T and BellSouth ILECs shall continue to offer and shall not seek any increase in state-approved rates for UNEs or collocation that are in effect as of the Merger Closing Date. For purposes of this commitment, an increase includes an increased existing surcharge or a new surcharge unless such new or increased surcharge is authorized by (i) the applicable interconnection agreement or tariff, as applicable, and (ii) by the relevant state commission. This commitment shall not limit the ability of the AT&T and BellSouth ILECs and any other telecommunications carrier to agree voluntarily to any different UNE or collocation rates.
2. AT&T/BellSouth shall recalculate its wire center calculations for the number of business lines and fiber-based collocations and, for those that no longer meet the non-impairment thresholds established in 47 CFR §§ 51.319(a) and (e), provide appropriate loop and transport access. In identifying wire centers in which there is no impairment pursuant to 47 CFR §§ 51.319(a) and (e), the merged entity shall exclude the following: (i) fiber-based collocation arrangements established by AT&T or its affiliates; (ii) entities that do not operate (*i.e.*, own or manage the optronics on the fiber) their own fiber into and out of their own collocation arrangement but merely cross-connect to fiber-based collocation arrangements; and (iii) special access lines obtained by AT&T from BellSouth as of the day before the Merger Closing Date.
3. AT&T/BellSouth shall cease all ongoing or threatened audits of compliance with the Commission's EELs eligibility criteria (as set forth in the *Supplemental Order Clarification's* significant local use requirement and related safe harbors, and the *Triennial Review Order's* high capacity EEL eligibility criteria), and shall not initiate any new EELs audits.

Reducing Transaction Costs Associated with Interconnection Agreements

1. The AT&T/BellSouth ILECs shall make available to any requesting telecommunications carrier any entire effective interconnection agreement, whether negotiated or arbitrated, that an AT&T/BellSouth ILEC entered into in any state in the AT&T/BellSouth 22-state ILEC operating territory, subject to state-specific pricing and performance plans and technical feasibility, and provided, further, that an AT&T/BellSouth ILEC shall not be obligated to provide pursuant to this commitment any interconnection arrangement or UNE unless it is feasible to provide, given the technical, network, and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made.
2. The AT&T/BellSouth ILECs shall not refuse a request by a telecommunications carrier to opt into an agreement on the ground that the agreement has not been amended to reflect changes of law, provided the requesting telecommunications carrier agrees to negotiate in good faith an amendment regarding such change of law immediately after it has opted into the agreement.
3. The AT&T/BellSouth ILECs shall allow a requesting telecommunications carrier to use its pre-existing interconnection agreement as the starting point for negotiating a new agreement.

4. The AT&T/BellSouth ILECs shall permit a requesting telecommunications carrier to extend its current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's "default" provisions.

Special Access

Each of the following special access commitments shall remain in effect until 48 months from the Merger Closing Date.

1. AT&T/BellSouth affiliates that meet the definition of a Bell operating company in section 3(4)(A) of the Act ("AT&T/BellSouth BOCs")⁴ will implement, in the AT&T and BellSouth Service Areas,⁵ the Service Quality Measurement Plan for Interstate Special Access Services ("the Plan"), similar to that set forth in the SBC/AT&T Merger Conditions, as described herein and in Attachment A to this Appendix F. The AT&T/BellSouth BOCs shall provide the Commission with performance measurement results on a quarterly basis, which shall consist of data collected according to the performance measurements listed therein. Such reports shall be provided in an Excel spreadsheet format and shall be designed to demonstrate the AT&T/BellSouth BOCs' monthly performance in delivering interstate special access services within each of the states in the AT&T and BellSouth Service Areas. These data shall be reported on an aggregated basis for interstate special access services delivered to (i) AT&T and BellSouth section 272(a) affiliates, (ii) their BOC and other affiliates, and (iii) non-affiliates.⁶ The AT&T/BellSouth BOCs shall provide performance measurement results (broken down on a monthly basis) for each quarter to the Commission by the 45th day after the end of the quarter. The AT&T/BellSouth BOCs shall implement the Plan for the first full quarter following the Merger Closing Date. This commitment shall terminate on the earlier of (i) 48 months and 45 days after the beginning of the first full quarter following the Merger Closing Date (that is, when AT&T/BellSouth files its 16th quarterly report); or (ii) the effective date of a Commission order adopting performance measurement requirements for interstate special access services.

2. AT&T/BellSouth shall not increase the rates paid by existing customers (as of the Merger Closing Date) of DS1 and DS3 local private line services that it provides in the AT&T/BellSouth in-region territory pursuant to, or referenced in, TCG FCC Tariff No. 2 above their level as of the Merger Closing Date.

3. AT&T/BellSouth will not provide special access offerings to its wireline affiliates that are not available to other similarly situated special access customers on the same terms and conditions.

4. To ensure that AT&T/BellSouth may not provide special access offerings to its affiliates that are not available to other special access customers, before AT&T/BellSouth provides a new or modified contract tariffed service under section 69.727(a) of the Commission's rules to its own section 272(a)

⁴ For purposes of clarity, the special access commitments set forth herein do not apply to AT&T Advanced Solutions, Inc. and the Ameritech Advanced Data Services Companies, doing business collectively as "ASI."

⁵ For purposes of this commitment, "AT&T and BellSouth Service Areas" means the areas within AT&T/BellSouth's in-region territory in which the AT&T and BellSouth ILECs are Bell operating companies as defined in 47 U.S.C. § 153(4)(A).

⁶ BOC data shall not include retail data.

affiliate(s), it will certify to the Commission that it provides service pursuant to that contract tariff to an unaffiliated customer other than Verizon Communications Inc., or its wireline affiliates.

AT&T/BellSouth also will not unreasonably discriminate in favor of its affiliates in establishing the terms and conditions for grooming special access facilities.⁷

5. No AT&T/BellSouth ILEC may increase the rates in its interstate tariffs, including contract tariffs, for special access services that it provides in the AT&T/BellSouth in-region territory, as set forth in tariffs on file at the Commission on the Merger Closing Date, and as set forth in tariffs amended subsequently in order to comply with the provisions of these commitments.

6. In areas within the AT&T/BellSouth in-region territory where an AT&T/BellSouth ILEC has obtained Phase II pricing flexibility for price cap services ("Phase II areas"), such ILEC will offer DS1 and DS3 channel termination services, DS1 and DS3 mileage services, and Ethernet services,⁸ that currently are offered pursuant to the Phase II Pricing Flexibility Provisions of its special access tariffs,⁹ at rates that are no higher than, and on the same terms and conditions as, its tariffed rates, terms, and conditions as of the Merger Closing Date for such services in areas within its in-region territory where it has not obtained Phase II pricing flexibility. In Phase II areas, AT&T/BellSouth also will reduce by 15% the rates in its interstate tariffs as of the Merger Closing Date for Ethernet services that are not at that time subject to price cap regulation. The foregoing commitments shall not apply to DS1, DS3, or Ethernet services provided by an AT&T/BellSouth ILEC to any other price cap ILEC, including any affiliate of such other price cap ILEC,¹⁰ unless such other price cap ILEC offers DS1 and DS3 channel termination and mileage services, and price cap Ethernet services in all areas in which it has obtained Phase II pricing flexibility relief for such services (hereinafter "Reciprocal Price Cap Services") at rates, and on the terms and conditions, applicable to such services in areas in which it has not obtained Phase II pricing flexibility for such services, nor shall AT&T/BellSouth provide the aforementioned 15% discount to such price cap ILEC or affiliate thereof unless such ILEC makes generally available a reciprocal discount for any Ethernet service it offers outside of price cap regulation (hereinafter "Reciprocal Non-Price Cap Services"). Within 14 days of the Merger Closing Date, AT&T/BellSouth will provide notice of this commitment to each price cap ILEC that purchases, or that has an affiliate that purchases, services subject to this commitment from an AT&T/BellSouth ILEC. If within 30 days thereafter, such price cap ILEC does not: (i) affirmatively inform AT&T/BellSouth and the Commission of its intent to sell Reciprocal Price Cap Services in areas where it has received Phase II pricing flexibility for such services at the rates, terms, and conditions that apply in areas where it has

⁷ Neither this merger commitment nor any other merger commitment herein shall be construed to require AT&T/BellSouth to provide any service through a separate affiliate if AT&T/BellSouth is not otherwise required by law to establish or maintain such separate affiliate.

⁸ The Ethernet services subject to this commitment are AT&T's interstate OPT-E-MAN, GigaMAN and DecaMAN services and BellSouth's interstate Metro Ethernet Service.

⁹ The Phase II Pricing Flexibility Provisions for DS1 and DS3 services are those set forth in Ameritech Tariff FCC No. 2, Section 21; Pacific Bell Tariff FCC No. 1, Section 31; Nevada Bell Tariff FCC No. 1, Section 22; Southwestern Bell Telephone Company Tariff FCC No. 73, Section 39; Southern New England Telephone Tariff FCC No. 39, Section 24; and BellSouth Telecommunications Tariff FCC No. 1, Section 23.

¹⁰ For purposes of this commitment, the term "price cap ILEC" refers to an incumbent local exchange carrier that is subject to price cap regulation and all of its affiliates that are subject to price cap regulation. The term "affiliate" means an affiliate as defined in 47 U.S.C. § 153(1) and is not limited to affiliates that are subject to price cap regulation.

not received such flexibility, and to provide a 15% discount on Reciprocal Non-Price Cap Services; and (ii) file tariff revisions that would implement such changes within 90 days of the Merger Closing Date (a "Non-Reciprocating Carrier"), the AT&T/BellSouth ILECs shall be deemed by the FCC to have substantial cause to make any necessary revisions to the tariffs under which they provide the services subject to this commitment to such Non-Reciprocating Carrier, including any affiliates, to prevent or offset any change in the effective rate charged such entities for such services. The AT&T/BellSouth ILECs will file all tariff revisions necessary to effectuate this commitment, including any provisions addressing Non-Reciprocating Carriers and their affiliates, within 90 days from the Merger Closing Date.

7. AT&T/BellSouth will not oppose any request by a purchaser of interstate special access services for mediation by Commission staff of disputes relating to AT&T/BellSouth's compliance with the rates, terms, and conditions set forth in its interstate special access tariffs and pricing flexibility contracts or to the lawfulness of the rates, terms, and conditions in such tariffs and contracts, nor shall AT&T/BellSouth oppose any request that such disputes be accepted by the Commission onto the Accelerated Docket.

8. The AT&T/BellSouth ILECs will not include in any pricing flexibility contract or tariff filed with the Commission after the Merger Closing Date access service ratio terms which limit the extent to which customers may obtain transmission services as UNEs, rather than special access services.

9. Within 60 days after the Merger Closing Date, the AT&T/BellSouth ILECs will file one or more interstate tariffs that make available to customers of DS1, DS3, and Ethernet service reasonable volume and term discounts without minimum annual revenue commitments (MARC) or growth discounts. To the extent an AT&T/BellSouth ILEC files an interstate tariff for DS1, DS3, or Ethernet services with a varying MARC, it will at the same time file an interstate tariff for such services with a fixed MARC. For purposes of these commitments, a MARC is a requirement that the customer maintain a minimum specified level of spending for specified services per year.

10. If, during the course of any negotiation for an interstate pricing flexibility contract, AT&T/BellSouth offers a proposal that includes a MARC, AT&T/BellSouth will offer an alternative proposal that gives the customer the option of obtaining a volume and/or term discount(s) without a MARC. If, during the course of any negotiation for an interstate pricing flexibility contract, AT&T/BellSouth offers a proposal that includes a MARC that varies over the life of the contract, AT&T/BellSouth will offer an alternative proposal that includes a fixed MARC.

11. Within 14 days of the Merger Closing Date, the AT&T/BellSouth ILECs will give notice to customers of AT&T/BellSouth with interstate pricing flexibility contracts that provide for a MARC that varies over the life of the contract that, within 45 days of such notice, customers may elect to freeze, for the remaining term of such pricing flexibility contract, the MARC in effect as of the Merger Closing Date, provided that the customer also freezes, for the remaining term of such pricing flexibility contract, the contract discount rate (or specified rate if the contract sets forth specific rates rather than discounts off of referenced tariffed rates) in effect as of the Merger Closing Date.

Transit Service

The AT&T and BellSouth ILECs will not increase the rates paid by existing customers for their existing tandem transit service arrangements that the AT&T and BellSouth ILECs provide in the AT&T/BellSouth in-region territory.¹¹

ADSL Service¹²

1. Within twelve months of the Merger Closing Date, AT&T/BellSouth will deploy and offer within the BellSouth in-region territory ADSL service to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service. AT&T/BellSouth will continue to offer this service in each state for thirty months after the "Implementation Date" in that state. For purposes of this commitment, the "Implementation Date" for a state shall be the date on which AT&T/BellSouth can offer this service to eighty percent of the ADSL-capable premises in BellSouth's in-region territory in that state.¹³ Within twenty days after meeting the Implementation Date in a state, AT&T/BellSouth will file a letter with the Commission certifying to that effect. In all events, this commitment will terminate no later than forty-two months after the Merger Closing Date.

2. AT&T/BellSouth will extend until thirty months after the Merger Closing Date the availability within AT&T's in-region territory of ADSL service, as described in the ADSL Service Merger Condition, set forth in Appendix F of the *SBC/AT&T Merger Order* (FCC 05-183).

3. Within twelve months of the Merger Closing Date, AT&T/BellSouth will make available in its in-region territory an ADSL service capable of speeds up to 768 Kbps to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service ("Stand Alone 768 Kbps service"). AT&T/BellSouth will continue to offer the 768 Kbps service in a state for thirty months after the "Stand Alone 768 Kbps Implementation Date" for that state. For purposes of this commitment, the "Stand Alone 768 Kbps Implementation Date" for a state shall be the date on which AT&T/BellSouth can offer the Stand Alone 768 Kbps service to eighty percent of the ADSL-capable premises in AT&T/BellSouth's in-region territory in that state. The Stand Alone 768 Kbps service will be offered at a rate of not more than \$19.95 per month (exclusive of regulatory fees and taxes). AT&T/BellSouth may make available such services at other speeds at prices that are competitive with the broadband market taken as a whole.

ADSL Transmission Service

AT&T/BellSouth will offer to Internet service providers, for their provision of broadband Internet access service to ADSL-capable retail customer premises, ADSL transmission service in the combined

¹¹ Tandem transit service means tandem-switched transport service provided to an originating carrier in order to indirectly send intraLATA traffic subject to § 251(b)(5) of the Communications Act of 1934, as amended, to a terminating carrier, and includes tandem switching functionality and tandem switched transport functionality between an AT&T/BellSouth tandem switch location and the terminating carrier.

¹² The commitments set forth under the heading "ADSL Service" are, by their terms, available to retail customers only. Wholesale commitments are addressed separately under the heading "ADSL Transmission Service."

¹³ After meeting the implementation date in each state, AT&T/BellSouth will continue deployment so that it can offer the service to all ADSL-capable premises in its in-region territory within twelve months of the Merger Closing Date.

AT&T/BellSouth territory that is functionally the same as the service AT&T offered within the AT&T in-region territory as of the Merger Closing Date.¹⁴ Such wholesale offering will be at a price not greater than the retail price in a state for ADSL service that is separately purchased by customers who also subscribe to AT&T/BellSouth local telephone service.

Net Neutrality

1. Effective on the Merger Closing Date, and continuing for 30 months thereafter, AT&T/BellSouth will conduct business in a manner that comports with the principles set forth in the Commission's Policy Statement, issued September 23, 2005 (FCC 05-151).

2. AT&T/BellSouth also commits that it will maintain a neutral network and neutral routing in its wireline broadband Internet access service.¹⁵ This commitment shall be satisfied by AT&T/BellSouth's agreement not to provide or to sell to Internet content, application, or service providers, including those affiliated with AT&T/BellSouth, any service that privileges, degrades or prioritizes any packet transmitted over AT&T/BellSouth's wireline broadband Internet access service based on its source, ownership or destination.

This commitment shall apply to AT&T/BellSouth's wireline broadband Internet access service from the network side of the customer premise equipment up to and including the Internet Exchange Point closest to the customer's premise, defined as the point of interconnection that is logically, temporally or physically closest to the customer's premise where public or private Internet backbone networks freely exchange Internet packets.

This commitment does not apply to AT&T/BellSouth's enterprise managed IP services, defined as services available only to enterprise customers¹⁶ that are separate services from, and can be purchased without, AT&T/BellSouth's wireline broadband Internet access service, including, but not limited to, virtual private network (VPN) services provided to enterprise customers. This commitment also does not apply to AT&T/BellSouth's Internet Protocol television (IPTV) service. These exclusions shall not result in the privileging, degradation, or prioritization of packets transmitted or received by AT&T/BellSouth's non-enterprise customers' wireline broadband Internet access service from the network side of the customer premise equipment up to and including the Internet Exchange Point closest to the customer's premise, as defined above.

¹⁴ An ADSL transmission service shall be considered "functionally the same" as the service AT&T offered within the AT&T in-region territory as of the Merger Closing Date if the ADSL transmission service relies on ATM transport from the DSLAM (or equivalent device) to the interface with the Internet service provider, and provides a maximum asymmetrical downstream speed of 1.5Mbps or 3.0Mbps, or a maximum symmetrical upstream/downstream speed of 384Kbps or 416Kbps, where each respective speed is available (the "Broadband ADSL Transmission Service"). Nothing in this commitment shall require AT&T/BellSouth to serve any geographic areas it currently does not serve with Broadband ADSL Transmission Service or to provide Internet service providers with broadband Internet access transmission technology that was not offered by AT&T to such providers in its in-region territory as of the Merger Closing Date.

¹⁵ For purposes of this commitment, AT&T/BellSouth's wireline broadband Internet access service and its Wi-Max fixed wireless broadband Internet access service are, collectively, AT&T/BellSouth's "wireline broadband Internet access service."

¹⁶ "Enterprise customers" refers to that class of customer identified as enterprise customers on AT&T's website (<http://www.att.com>) as of December 28, 2006.

This commitment shall sunset on the earlier of (1) two years from the Merger Closing Date, or (2) the effective date of any legislation enacted by Congress subsequent to the Merger Closing Date that substantially addresses “network neutrality” obligations of broadband Internet access providers, including, but not limited to, any legislation that substantially addresses the privileging, degradation, or prioritization of broadband Internet access traffic.

Internet Backbone

1. For a period of three years after the Merger Closing Date, AT&T/BellSouth will maintain at least as many discrete settlement-free peering arrangements for Internet backbone services with domestic operating entities within the United States as they did on the Merger Closing Date, provided that the number of settlement-free peering arrangements that AT&T/BellSouth is required to maintain hereunder shall be adjusted downward to account for any mergers, acquisitions, or bankruptcies by existing peering entities or the voluntary election by a peering entity to discontinue its peering arrangement. If on the Merger Closing Date, AT&T and BellSouth both maintain a settlement free peering arrangement for Internet backbone services with the same entity (or an affiliate thereof), the separate arrangements shall count as one settlement-free peering arrangement for purposes of determining the number of discrete peering entities with whom AT&T/BellSouth must peer pursuant to this commitment. AT&T/BellSouth may waive terms of its published peering policy to the extent necessary to maintain the number of peering arrangements required by this commitment. Notwithstanding the above, if within three years after the Merger Closing Date, one of the ten largest entities with which AT&T/BellSouth engages in settlement free peering for Internet backbone services (as measured by traffic volume delivered to AT&T/BellSouth’s backbone network facilities by such entity) terminates its peering arrangement with AT&T/BellSouth for any reason (including bankruptcy, acquisition, or merger), AT&T/BellSouth will replace that peering arrangement with another settlement free peering arrangement and shall not adjust its total number of settlement free peers downward as a result.

2. Within thirty days after the Merger Closing Date, and continuing for three years thereafter, AT&T/BellSouth will post its peering policy on a publicly accessible website. During this three-year period, AT&T/BellSouth will post any revisions to its peering policy on a timely basis as they occur.

Forbearance

1. AT&T/BellSouth will not seek or give effect to a ruling, including through a forbearance petition under section 10 of the Communications Act (the “Act”) 47 U.S.C. 160, or any other petition, altering the status of any facility being currently offered as a loop or transport UNE under section 251(c)(3) of the Act.

2. AT&T/BellSouth will not seek or give effect to any future grant of forbearance that diminishes or supersedes the merged entity’s obligations or responsibilities under these merger commitments during the period in which those obligations are in effect.

Wireless

1. AT&T/BellSouth shall assign and/or transfer to an unaffiliated third party all of the 2.5 GHz spectrum (broadband radio service (BRS)/educational broadband service (EBS)) currently licensed to or leased by BellSouth within one year of the Merger Closing Date.

2. By July 21, 2010, AT&T/BellSouth agrees to: (1) offer service in the 2.3 GHz band to 25% of the population in the service area of AT&T/BellSouth’s wireless communications services (WCS) licenses,

for mobile or fixed point-to-multi-point services, or (2) construct at least five permanent links per one million people in the service area of AT&T/BellSouth's WCS licenses, for fixed point-to-point services. In the event AT&T/BellSouth fails to meet either of these service requirements, AT&T/BellSouth will forfeit the unconstructed portion of the individual WCS licenses for which it did not meet either of these service requirements as of July 21, 2010; provided, however, that in the event the Commission extends the July 21, 2010, buildout date for 2.3GHz service for the WCS industry at large ("Extended Date"), the July 21, 2010 buildout date specified herein shall be modified to conform to the Extended Date. The wireless commitments set forth above do not apply to any 2.3 GHz wireless spectrum held by AT&T/BellSouth in the state of Alaska.

Divestiture of Facilities

Within twelve months of the Merger Closing Date, AT&T/BellSouth will sell to an unaffiliated third party(ies) an indefeasible right of use ("IRU") to fiber strands within the existing "Lateral Connections," as that term is defined in the *SBC/AT&T Consent Decree*,¹⁷ to the buildings listed in Attachment B to this Appendix F ("BellSouth Divestiture Assets"). These divestitures will be effected in a manner consistent with the divestiture framework agreed to in the *SBC/AT&T Consent Decree*, provided that such divestitures will be subject to approval by the FCC, rather than the Department of Justice.

Tunney Act

AT&T is a party to a Consent Decree entered into following the merger of SBC and AT&T (the "Consent Decree"). The Consent Decree documents the terms under which AT&T agreed to divest special access facilities serving 383 buildings within the former SBC in-region ILEC territory (the "SBC Divestiture Assets"). In its Order approving the AT&T/SBC merger, the Commission also required the divestiture of these same facilities on the terms and conditions contained in the Consent Decree. The Consent Decree is currently under review pursuant to the Tunney Act in the U.S. District Court for the District of Columbia (the "Court") in *U.S. v. SBC Communications, Inc. and AT&T Corp.*, Civil Action No. 1:05CV02102 (EGS) (D.D.C.), where the Court is reviewing the adequacy of the remedy contained in the Consent Decree to address the competitive concerns described in the Complaint filed by the Department of Justice (DOJ).

If it is found in a final, non-appealable order, that the remedy in the Consent Decree is not adequate to address the concerns raised in the Complaint and AT&T and the DOJ agree to a modification of the Consent Decree (the "Modified Consent Decree"), then AT&T agrees that (1) AT&T/BellSouth will conform its divestiture of the BellSouth Divestiture Assets to the terms of the Modified Consent Decree; and (2) AT&T/BellSouth will negotiate in good faith with the Commission to determine whether the conditions imposed on AT&T/BellSouth in the Commission order approving the merger of AT&T and BellSouth satisfies, with respect to the BellSouth territory, the concerns addressed in the Modified Consent Decree.

Certification

AT&T/BellSouth shall annually file a declaration by an officer of the corporation attesting that AT&T/BellSouth has substantially complied with the terms of these commitments in all material

¹⁷ See *United States v. SBC Communications, Inc.*, Civil Action No. 1:05CV02102, Final Judgment (D.D.C. filed Oct. 27, 2005).

respects. The first declaration shall be filed 45 days following the one-year anniversary of the Merger Closing Date, and the second, third, and fourth declarations shall be filed one, two, and three years thereafter, respectively.

**Conditions
ATTACHMENT A**

**Service Quality Measurement Plan
For Interstate Special Access**

Contents

Section 1: Ordering

FOCT: Firm Order Confirmation (FOC) Timeliness

Section 2: Provisioning

PIAM: Percent Installation Appointments Met

NITR: New Installation Trouble Report Rate

Section 3: Maintenance and Repair

CTRR: Failure Rate/Trouble Report Rate

MAD: Average Repair Interval/Mean Time to Restore

Section 4: Glossary

Section 1: Ordering

FOCT: Firm Order Confirmation (FOC) Timeliness

Definition

Firm Order Confirmation (FOC) Timeliness measures the percentage of FOCs returned within the Company-specified standard interval.

Exclusions

- Service requests identified as “Projects” or “ICBs”
- Service requests cancelled by the originator
- Weekends and designated holidays of the service center
- Unsolicited FOCs
- Administrative or test service requests
- Service requests that indicate that no confirmation/response should be sent
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules

Counts are based on the first instance of a FOC being sent in response to an ASR. Activity starting on a weekend or holiday will reflect a start date of the next business day. Activity ending on a weekend or holiday will be calculated with an end date of the last previous business day. Requests received after the company’s stated cutoff time will be counted as a “zero” day interval if the FOC is sent by close of business on the next business day. The standard interval will be that which is specified in the company-specific ordering guide.

Calculation

Firm Order Confirmation (FOC) Interval = (a - b)

- a = Date and time FOC is returned
- b = Date and time valid access service request is received

Percent within Standard Interval = (c / d) X 100

- c = Number of service requests confirmed within the designated interval
- d = Total number of service requests confirmed in the reporting period

Report Structure

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
 - RBOC 272 Affiliates Aggregate

Geographic Scope

- State

SQM Disaggregation (Percent FOCs returned within Standard Interval)

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

Section 2: Provisioning**PIAM: Percent Installation Appointments Met****Definition**

Percent Installation Appointments Met measures the percentage of installations completed on or before the confirmed due date.

Exclusions

- Orders issued and subsequently cancelled
- Orders associated with internal or administrative (including test) activities
- Disconnect Orders
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules

This measurement is calculated by dividing the number of service orders completed during the reporting period, on or before the confirmed due date, by the total number of orders completed during the same reporting period. Installation appointments missed because of customer caused reasons shall be counted as met and included in both the numerator and denominator. Where there are multiple missed appointment codes, each RBOC will determine whether an order is considered missed.

Calculation

Percent Installation Appointments Met = $(a / b) \times 100$

- a = Number of orders completed on or before the RBOC confirmed due date during the reporting period
- b = Total number of orders where completion has been confirmed during the reporting period

Report Structure

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
 - RBOC 272 Affiliates Aggregate

Geographic Scope

- State

SQM Disaggregation

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

NITR: New Installation Trouble Report Rate**Definition**

New Installation Trouble Report Rate measures the percentage of circuits or orders where a trouble was found in RBOC facilities or equipment within thirty days of order completion.

Exclusions

- Trouble tickets issued and subsequently cancelled
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- RBOC troubles associated with administrative service
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions defined by each RBOC to reflect system and operational differences
- Subsequent trouble reports

Business Rules

Only the first customer direct trouble report received within thirty calendar days of a completed service order is counted in this measure. Only customer direct trouble reports that required the RBOC to repair a portion of the RBOC network will be counted in this measure. The RBOC completion date is when the RBOC completes installation of the circuit or order.

Calculation

Trouble Report Rate within 30 Calendar Days of Installation = $(a / b) \times 100$

- a = Count of circuits/orders with trouble reports within 30 calendar days of installation
- b = Total number of circuits/orders installed in the reporting period

Report Structure

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
 - RBOC 272 Affiliates Aggregate

Geographic Scope

- State

SQM Disaggregation

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

Section 3: Maintenance & Repair**CTRR: Failure Rate/Trouble Report Rate****Definition**

The percentage of initial and repeated circuit-specific trouble reports completed per 100 in-service circuits for the reporting period.

Exclusions

- Trouble reports issued and subsequently cancelled
- Employee initiated trouble reports
- Trouble reports/circuits associated with internal or administrative activities
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- Tie Circuits
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules

Only customer direct trouble reports that require the RBOC to repair a portion of the RBOC network will be counted in this report. The trouble report rate is computed by dividing the number of completed trouble reports handled during the reporting period by the total number of in-service circuits for the same period.

Calculation

Percent Trouble Report Rate = (a / b) X 100

- a = Number of completed circuit-specific trouble reports received during the reporting period
- b = Total number of in-service circuits during the reporting period

Report Structure

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
 - RBOC 272 Affiliates Aggregate

Geographic Scope

- State

SQM Disaggregation

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

MAD: Average Repair Interval/Mean Time to Restore**Definition**

The Average Repair Interval/Mean Time to Restore is the average time between the receipt of a customer trouble report and the time the service is restored. The average outage duration is only calculated for completed circuit-specific trouble reports.

Exclusions

- Trouble reports issued and subsequently cancelled
- Employee initiated trouble reports
- Trouble reports associated with internal or administrative activities
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- Tie Circuits
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules

Only customer direct trouble reports that require the RBOC to repair a portion of the RBOC network will be counted in this measure. The average outage duration is calculated for each restored circuit with a trouble report. The start time begins with the receipt of the trouble report and ends when the service is restored. This is reported in a manner such that customer hold time or delay maintenance time resulting from verifiable situations of no access to the end user premise, other CLEC/IXC or RBOC retail customer caused delays, such as holding the ticket open for monitoring, is deducted from the total resolution interval ("stop clock" basis).

Calculation

Repair Interval = (a – b)

- a = Date and time trouble report was restored
- b = Date and time trouble report was received

Average Repair Interval = (c / d)

- c = Total of all repair intervals (in hours/days) for the reporting period
- d = Total number of trouble reports closed during the reporting period

Report Structure

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
 - RBOC 272 Affiliates Aggregate

Geographic Scope

- State

SQM Disaggregation

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

GLOSSARY

Access Service Request (ASR)	A request to the RBOC to order new access service, or request a change to existing service, which provides access to the local exchange company's network under terms specified in the local exchange company's special or switched access tariffs.
RBOC 272 Affiliates Aggregate	RBOC Affiliate(s) authorized to provide long distance service as a result of the Section 271 approval process.
RBOC Affiliates Aggregate	RBOC Telecommunications and all RBOC Affiliates (including the 272 Affiliate). Post sunset, comparable line of business (e.g., 272 line of business) will be included in this category.
Business Days	Monday thru Friday (8AM to 5PM) excluding holidays
CPE	Customer Provided or Premises Equipment
Customer Not Ready (CNR)	A verifiable situation beyond the normal control of the RBOC that prevents the RBOC from completing an order, including the following: CLEC or IXC is not ready to receive service; end user is not ready to receive service; connecting company or CPE supplier is not ready.
Firm Order Confirmation (FOC)	The notice returned from the RBOC, in response to an Access Service Request from a CLEC, IXC or affiliate, that confirms receipt of the request and creation of a service order with an assigned due date.
Unsolicited FOC	An Unsolicited FOC is a supplemental FOC issued by the RBOC to change the due date or for other reasons, e.g., request for a second copy from the CLEC/IXC, although no change to the ASR was requested by the CLEC or IXC.
Project or ICB	Service requests that exceed the line size and/or level of complexity that would allow the use of standard ordering and provisioning interval and processes. Service requests requiring special handling.
Repeat Trouble	Trouble that reoccurs on the same telephone number/circuit ID within 30 calendar days
Service Orders	Refers to all orders for new or additional lines/circuits. For change order types, additional lines/circuits consist of all C order types with "I" and "T" action coded line/circuit USOCs that represent new or additional lines/circuits, including conversions for RBOC to Carrier and Carrier to Carrier.

**Conditions
ATTACHMENT B**

Building List

Metro Area	CLLI	Address	City	State	Zip Code
Atlanta	ALPRGAVP	5965 CABOT PKWY	ALPHARETTA	GA	30005
Atlanta	ATLNGABI	2751 BUFORD HWY NE	ATLANTA	GA	30324
Atlanta	CHMBGAJG	2013 FLIGHTWAY DR	CHAMBLEE	GA	30341
Atlanta	NRCRGAER	6675 JONES MILL CT	NORCROSS	GA	30092
Atlanta	NRCRGAIJ	4725 PEACHTREE CORNERS CIR	NORCROSS	GA	30092
Atlanta	NRCRGANX	3795 DATA DR NW	NORCROSS	GA	30092
Atlanta	NRCRGARC	335 RESEARCH CT	NORCROSS	GA	30092
Birmingham	BRHMALKU	101 LEAF LAKE PKWY	BIRMINGHAM	AL	35211
Charlotte	CHRMNCXI	2605 WATER RIDGE PKWY	CHARLOTTE	NC	28217
Chattanooga	CHTG TNAC	537 MARKET ST	CHATTANOOGA	TN	37402
Jacksonville	JCVNFLHK	10201 CENTURION PKWY N	JACKSONVILLE	FL	32256
Knoxville	KNVLTNHB	8057 RAY MEARS BLVD	KNOXVILLE	TN	37919
Knoxville	KNVNTN82	2160 LAKESIDE CENTER WAY	KNOXVILLE	TN	37922
Miami	BCRTFLAU	851 NW BROKEN SOUND PKWY	BOCA RATON	FL	33487
Miami	BCRTFLCM	501 E CAMINO REAL	BOCA RATON	FL	33432
Miami	DLBHFLDU	360 N CONGRESS AVE	DELRAY BEACH	FL	33445
Miami	JPTRFLAC	100 MARQUETTE DR	JUPITER	FL	33458
Miami	JPTRFLBC	1001 N USHWY 1	JUPITER	FL	33477
Miami	PLNBFLAZ	1601 SW 80TH TER	PLANTATION	FL	33324
Miami	PLNBFLCQ	1800 NW 69TH AVE	PLANTATION	FL	33313
Miami	SUNRFLCF	720 INTERNATIONAL PKWY	SUNRISE	FL	33325
Nashville	BRWDTNEV	210 WESTWOOD PL	BRENTWOOD	TN	37027
Nashville	NSVLTNIH	1215 21ST AVE S	NASHVILLE	TN	37212
Nashville	NSVLTNWL	28 OPRYLAND DR	NASHVILLE	TN	37204
Nashville	NSVNTNFO	252 OPRY MILLS DR	NASHVILLE	TN	37214
Nashville	NSVPTNIJ	332 OPRY MILLS DR	NASHVILLE	TN	37214
Nashville	NSVPTN98	427 OPRY MILLS DR	NASHVILLE	TN	37214
Nashville	NSVPTNJX	540 OPRY MILLS DR	NASHVILLE	TN	37214
Miami	LDHLFLAC	4300 N UNIVERSITY DR	LAUDERHILL	FL	33351
Miami	SUNRFLBD	440 SAWGRASS CORP. PARKWAY	SUNRISE	FL	33325
Orlando	ORLFFLYL	8350 PARKLINE BLVD	ORLANDO	FL	32809



Sprint Nextel Access Solutions
 Mailstop KSOPHA0310-3B372
 6330 Sprint Parkway
 Overland Park, KS 66251
 Office: (913) 762-4133 Fax: (913) 523-0608
 Mark.G.Felton@sprint.com

Mark G. Felton
 Interconnection Solutions

March 20, 2007

Electronic and Overnight Mail

Ms. Lynn Allen-Flood
 AT&T Wholesale Markets
 675 W. Peachtree Street
 Room 34S91
 Atlanta GA, 30375

Re: Sprint request pursuant to FCC approved AT&T/BellSouth Merger
 Commitment No. 4 to extend Parties' Interconnection Agreement
 three years to March 19, 2010

Dear Lynn:

Prior to December 29, 2006, Sprint Communications Company L.P. and Sprint Spectrum L.P. (collectively "Sprint") were engaged with BellSouth Telecommunications, Inc. ("BellSouth") in 251/252¹ renegotiations of the Parties' Interconnection Agreement. The Parties' Interconnection Agreement is currently in effect and continues on a month-to-month term basis. By letter dated December 28, 2006, AT&T, Inc. ("AT&T") submitted voluntary merger commitments to the Federal Communications Commission ("FCC") in order to facilitate "the speediest possible approval of the merger" between BellSouth and AT&T by the FCC ("Merger Commitments"). On December 29, 2006 the FCC approved the AT&T and BellSouth (collectively "AT&T/BellSouth") merger in WC Docket No. 06-74 subject to the voluntary AT&T/BellSouth Merger Commitments.

¹ See 47 U.S.C. §§ 251 and 252 of the Communications Act of 1934, as amended ("the Act").

The AT&T/BellSouth Merger Commitments are applicable to BellSouth, and it is Sprint's position that such Merger Commitments constitute BellSouth's latest offer for consideration within the Parties' current 251/252 negotiations that supersede or may be viewed in addition to any prior offers BellSouth has made to the contrary. For the purposes of this letter, Sprint relies upon the Merger Commitment identified as "Reducing Transaction Costs Associated with Interconnection Agreements" paragraph No. 4 ("Interconnection Merger Commitment No. 4"), which expressly provides:

"4. The AT&T/BellSouth ILECs ***shall permit a requesting telecommunications carrier to extend its current interconnection agreement, regardless of whether its initial term has expired, for a period up to three years***, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's 'default' provisions". [Emphasis added].

Merger Commitment No. 4 does not refer to an agreement's "expiration date" as the start date for a carrier's requested three-year extension. To the contrary, whether an agreement may be expired or not is irrelevant. And, notwithstanding any discussion regarding expiration dates, Sprint's Agreement is not "expired" in light of the fact it currently "continue[s]" under Section 2.1 on a "month-to-month basis". The only stated time restriction applicable to Merger Commitment No. 4 is found in the first paragraph of the Commitments to the effect:

"For the avoidance of doubt, ***unless otherwise expressly stated to the contrary***, all conditions and commitments proposed in this letter ... apply ... for a period of forty-two months ***from the Merger Closing Date*** and would automatically sunset thereafter. [Emphasis added].

Please be advised that, pursuant to the express terms of Interconnection Merger Commitment No. 4, Sprint hereby requests an amendment to Section 2 of the Parties' current, effective month-to-month Interconnection Agreement that:

- a) Converts the Agreement from its current month-to-month term and extends it three years from the date of this March 20, 2007 request to March 19, 2010; and,
- b) Provides that the Agreement may be terminated only via Sprint's request unless terminated pursuant to a default provision of the Agreement; and,
- c) Recognizes that all other provisions of the Agreement, as amended, shall remain in full force and effect since the Agreement has already been modified to be TRRO compliant and has an otherwise effective change of law provision.

Enclosed for BellSouth's execution are two copies of Sprint's proposed Amendment to implement Sprint's request regarding Interconnection Merger Commitment No. 4. Please sign and return both Amendment documents for receipt by me no later than Friday, March 30, 2007. Upon receipt I will have both documents executed by Sprint and return one fully executed Amendment to you.

Based on the foregoing, Sprint does not see a need to extend the Parties' current arbitration windows under Section 252(b)(1) another sixty (60) days as suggested in your February 21, 2007 e-mail to Mr. Jim Kite at Sprint. Sprint understands the enclosed Amendment may not reflect BellSouth's proffered interpretation of Interconnection Merger Commitment No. 4²; nevertheless, it is Sprint's position that BellSouth's stated interpretation of this provision is incorrect and fails to properly address the unambiguous language of the Merger Commitments. If BellSouth should not accept Sprint's straightforward interpretation based upon the express

² Sprint understands BellSouth's position regarding Interconnection Merger Condition No. 4 to be that Sprint may extend its Interconnection Agreement for up to 3 years from the "expiration" of the specified term of the Sprint Interconnection Agreement to result in a term "expiration" date of December 31, 2004 and a new "expiration" date of December 31, 2007. BellSouth's interpretation, however, fails to acknowledge that, by virtue of Section 2.1, the Parties' "current" Interconnection Agreement "continue[s]" with a new, rolling "month-to-month" expiration date, or specific language of the Merger Conditions noting the extension is required "regardless of whether its [the interconnection agreement] initial term has expired" and, "unless otherwise expressly stated to the contrary, all conditions and commitments ... apply ... for a period of forty-two months from the Merger Closing Date".

Ms. Allen-Flood
March 20, 2007
Page 4

language contained in Interconnection Merger Condition No. 4, Sprint respectfully reserves the right to avail itself of its legal options under the Act.

Should BellSouth see any need to discuss Sprint's request any further before March 30, 2006 please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark G. Felton", with a stylized flourish at the end.

Mark G. Felton

Enclosures

CC: Mr. Joseph M. Chiarelli, Sprint Counsel
Mr. William R. Atkinson, Sprint Counsel

**Amendment to
Interconnection Agreement**

between

**Sprint Communications Company Limited Partnership
Sprint Communications Company L.P.
Sprint Spectrum, L.P.**

and

BellSouth Telecommunications, Inc.

Dated January 1, 2001

Pursuant to this Amendment (the "Amendment") Sprint Communications Company Limited Partnership and Sprint Communications Company L.P., (collectively referred to as "Sprint CLEC"), a Delaware Limited Partnership, and Sprint Spectrum L.P., a Delaware limited partnership, as agent and General Partner for WirelessCo. L.P., a Delaware limited partnership, and SprintCom, Inc., a Kansas corporation, all foregoing entities jointly d/b/a Sprint PCS (Sprint PCS) (Sprint CLEC and Sprint PCS collectively referred to as "Sprint"), and BellSouth Telecommunications, Inc. (BellSouth), a Georgia corporation, hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Interconnection Agreement between the Parties dated January 1, 2001 ("the Agreement").

WHEREAS, on December 29, 2006 the Federal Communications Commission ("FCC") approved the AT&T, Inc. and BellSouth Corp. (collectively "AT&T/BellSouth") merger in WC Docket No. 06-74 subject to certain voluntary AT&T/BellSouth merger commitments ("Merger Commitments"); and,

WHEREAS, the Merger Commitment identified as "Reducing Transaction Costs Associated with Interconnection Agreements" paragraph No. 4 ("Interconnection Merger Commitment No. 4") provides:

"4. The AT&T/BellSouth ILECs shall permit a requesting telecommunications carrier to extend its current interconnection agreement, regardless of whether its initial term has expired, for a period up to three years, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's 'default provisions'; and,

WHEREAS, BellSouth is an AT&T/BellSouth ILEC subject to the Merger Commitments; and,

WHEREAS, pursuant to Interconnection Merger Commitment No. 4, on March 20, 2007, Sprint requested an extension of the Parties' current month-to-month Agreement for three years from the date of Sprint's March 20, 2007 request.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sprint and BellSouth hereby covenant and agree as follows:

1. The Parties agree to delete Section 2, General Terms and Conditions – Part A in its entirety and replace it with the following:
 2. Term of the Agreement
 - 2.1 Upon the date of the last signature of both Parties to this Amendment, the current term of this Agreement shall convert from a month-to-month term basis and be extended three years from March 20, 2007 to March 19, 2010.
 - 2.2 Upon mutual agreement of the Parties, the term of this Agreement may be extended. If, as of the expiration of this Agreement, a Subsequent Agreement (as defined in Section 3.1 below) has not been executed by the Parties, this Agreement shall continue on a month-to-month basis.
 - 2.3 Notwithstanding anything to the contrary in this Agreement, during the term of March 20, 2007 to March 19, 2010, this Agreement may be terminated only via Sprint's request unless terminated pursuant to a default provision within this Agreement.
 2. All other provisions of the Agreement, dated January 1, 2001, as amended, shall remain in full force and effect.
 3. Either or both of the Parties are authorized to submit this Amendment to the appropriate Commission for approval subject to section 252(e) of the Federal Telecommunications Act of 1996.
 4. This Amendment shall be effective upon the date of the last signature of both Parties.

[Signatures continued on next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

By: _____

Name: _____

Title: _____

Date: _____

**Sprint Communications Company
Limited Partnership**

By: _____

Name: _____

Title: _____

Date: _____

Sprint Spectrum L.P.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

Eddie A. Reed, Jr.
Director-Contract Management
AT&T Wholesale Customer Care

AT&T Inc.
311 S. Akard, Room 940 01
Dallas, TX 75202
Fax 800 404-4548



April 4, 2007

VIA OVERNIGHT MAIL

Mark G. Felton
Sprint Nextel Access Solutions
6330 Sprint Parkway
Overland Park, KS 66251
Mark.G.Felton@sprint.com

Re: Your Letter of March 20, 2007

Dear Mr. Felton:

Thank you for the above-referenced correspondence to Lynn Allen-Flood, which was referred to me on March 21, 2007. In your letter you indicate that pursuant to AT&T's merger commitment ("Commitment 7.4") regarding the extension of interconnection agreements ("ICAs"), Sprint has the right to extend its ICA (the "Sprint Agreement") for three years from the date of its extension request. As explained below, AT&T disagrees.

As you may know, the purpose of Commitment 7.4 is to allow carriers to reduce transaction costs associated with the allegedly "continuous" cycle of ICA renegotiations and arbitrations.¹ By extending their ICAs, rather than negotiating and possibly arbitrating successor agreements, carriers can avoid such costs by continuing to operate under their current agreements for a period of up to three additional years.

The Sprint Agreement, however, was entered into on January 1, 2001 and has already been in effect for a period of over six years. It initially expired on December 31, 2003, was amended twice to extend the term to December 31, 2004, and thereafter has been operating on a month-to-month basis while the parties have been negotiating a successor agreement. Those negotiations culminated in the successful negotiation and agreement in principle of all issues necessary to enter into a successor agreement, which AT&T was prepared to do, this past December. Inexplicably, however, Sprint declined to do so, and subsequently sought to extend its prior agreement for another three years pursuant to Commitment 7.4.

Sprint's proposed re-extension of its 2001 ICA is inconsistent with both the language and the purpose of that commitment. First, AT&T's commitment was to permit a requesting carrier to extend the term of its existing ICA for up to three years. In the case of Sprint's ICA, AT&T already has done so; indeed, AT&T has permitted Sprint to extend the original three-year term of its current ICA for over three more years, which is all that AT&T's commitment requires. This conclusion is not altered, as Sprint asserts, by the fact that the merger commitment applies "regardless of whether [the ICA's] initial term has expired." That language simply indicates that agreements are not *per se* ineligible for extensions under Commitment 7.4 because their initial terms have expired. It does not suggest—nor does the commitment anywhere state—that agreements may be extended for three years from the date of request. Indeed, the clause relied upon by Sprint indicates that what may be extended under Commitment 7.4 is an agreement's "initial term."

Second, AT&T proposed Commitment 7.4 to respond to CLEC claims that requiring CLECs to renegotiate ICAs every three years is burdensome. While AT&T does not necessarily agree with those claims, its commitment was intended to "reduce[e] transaction costs associated with interconnection agreements." Sprint's proposal would make a mockery of that purpose insofar as Sprint and AT&T already have incurred the transaction costs necessary to negotiate a new agreement—a result plainly at odds with AT&T's commitment.

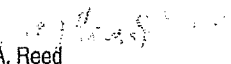
In any event, if the Sprint Agreement were to be extended for a further three years from the date of Sprint's extension request—or until March 19, 2010, as Sprint asserts is appropriate—that agreement will have been in effect for over nine years, a result nowhere contemplated or authorized by either the purpose, history or wording of Commitment 7.4.

¹ See, e.g., *Comments of Cable Companies*, WC Docket No. 06-74 at pp. 9-10 (Oct. 24, 2006).

Based on foregoing, AT&T cannot agree with Sprint's proposed three-year extension to its 2001 ICA. Nevertheless, we reiterate our offer to extend the Sprint Agreement until December 31, 2007, consistent with Commitment 7.4. By accepting such an extension, Sprint will have enjoyed not only several years since expiration of the Sprint Agreement during which it did not negotiate or arbitrate a successor agreement, it will also be able to operate under that agreement for the remainder of 2007.

If you would like to have further discussions regarding this matter, we would be happy to participate in order to bring these issues to a quick and amicable resolution.

Sincerely,


Eddie A. Reed